



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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November 19, 1999

Mr. Robert Lopez
Chief, Branch of Minerals Adjudication
Bureau of Land Management
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

Re: Interim Reclamation Surety, Certificate of Deposit Account No. 1 American Stone,
Rosebud Quarry, M/003/026, Box Elder County, Utah

Dear Mr. Lopez:

Thank you for your recent letter received October 26, 1999, regarding your review of the recent *interim* reclamation surety posted by American Stone for its Rosebud Quarry located in Box Elder County, Utah. Please accept my apology for the unforeseen delay in responding to your assessment. I will address each of your comments and concerns as follows:

1. *The Certificate of Deposit should state, "The Secretary of the Interior (BLM) and DOGM must approve the redemption of the CD by any party." Allison Knudson of First Security Bank said that either the bank or our offices could type it on the certificate. If the certificate is not required to make a withdrawal, it would be wise to have this statement typed on the signature card.*

We will modify the face of the Certificate of Deposit and the signature card to include this language as requested.

2. *On the cover letter addressed to First Security bank or a different document, there should be statement that the Bank acknowledges and accepts the agreement between American Stone, DOGM, and BLM.*

Our cover letter to the First Security Bank is intended only to provide basic instructions and background information on how the Certificate should be established and redeemed. It is not intended that the Bank become a party to the agreement. Therefore, we have not required the banking institution to formally accept and sign the agreement. The bank's acknowledgment and acceptance is inferred by their issuance of the certificate according to the directions in the cover letter.

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3. *Since the Certificate of Deposit is issued to BLM and DOGM, does American Stone need to be on the signature card? The signature card shows that there are "3" signatures required. If possible the signature card should be changed to show that two signatures-BLM's and DOGM's are required.*

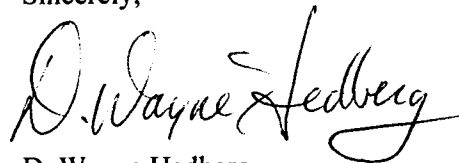
This question has been one of considerable discussion and debate. It is our understanding that the bank is insisting that Mr. Thomas' signature also appear on the signature card. We do not believe that this will prove to be an insurmountable hindrance to our ability to redeem the certificate in the event that this action should become necessary.

Your closing statement indicates that, *"The BLM Salt Lake Field Office has not notified this office that American Stone needs a reclamation bond. Therefore, DOGM may accept the subject reclamation bond at this time."*

This being the case, it would be inappropriate for the BLM to refuse to acknowledge and accept the interim surety at this time. When a final surety amount is calculated as part of the review and joint agency approval of the Large Mining Operations permit application, we believe the surety could be modified accordingly to address your remaining concerns.

Accordingly, we have enclosed a copy of the interim reclamation surety documents and ask that you please sign and return the enclosed signature card so we can return it to First Security Bank for their records. Thank for your cooperation and understanding in finalizing this permitting action.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb

Enclosure: Copy of Certificate & signature card

cc: Opolonia Abeyta, BLM
Terry Snyder, BLM
Lon Thomas, American Stone
Lynn Kunzler, DOGM

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